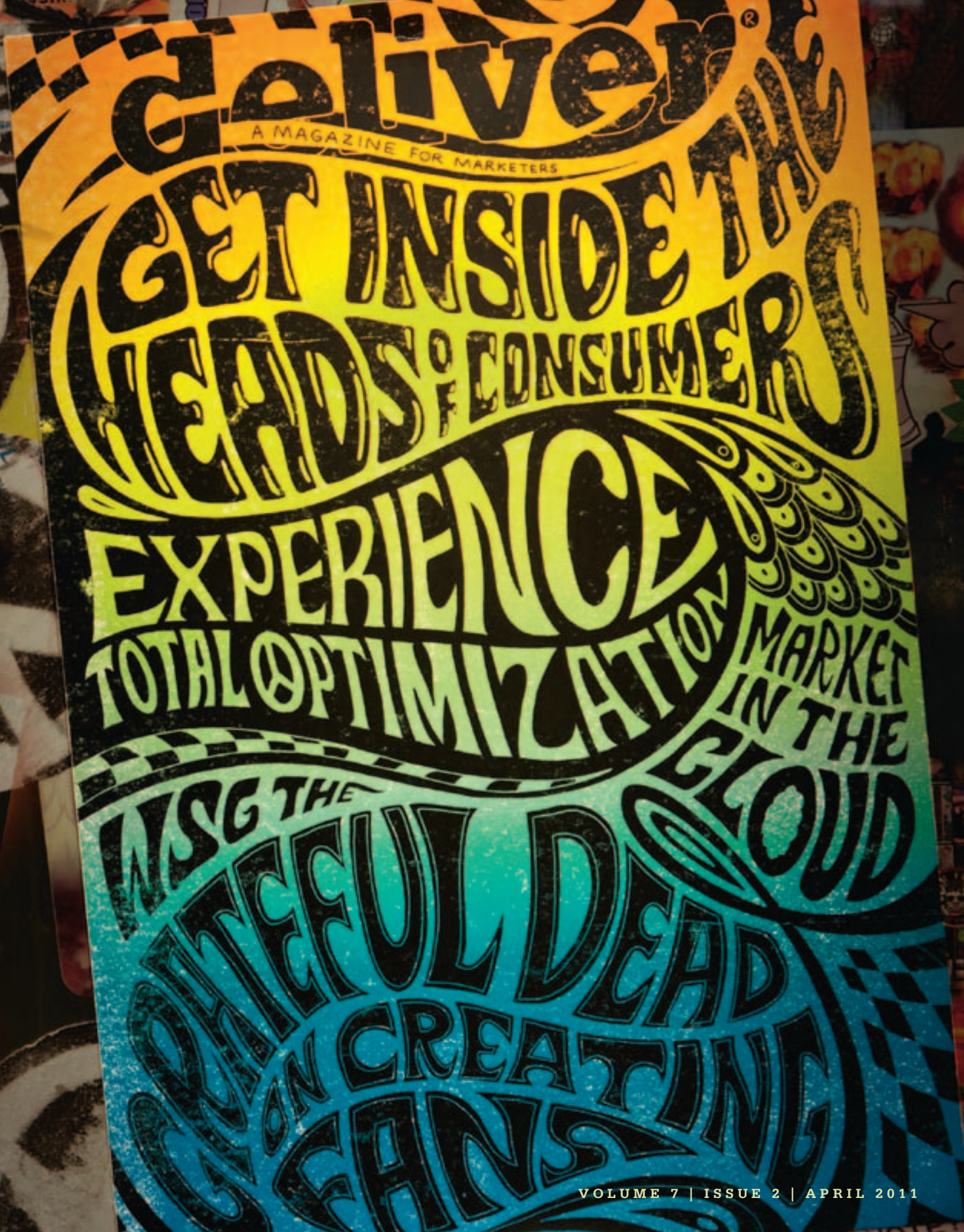




P.O. Box 149263
Austin, TX 78714-9263

PRSR STD
US POSTAGE & FEES PAID
US POSTAL SERVICE
PERMIT NO G-10

ELECTRONIC SERVICE REQUESTED



Direct
Leaps
into the
Future



Thomas J. Foti
Thomas J. Foti, Editor

As marketing moves into an increasingly digital future, the impact of science on direct mail is being felt well beyond the technology sector.

Business leaders looking for the next edge in customer communications and understanding consumer behavior are applying techniques once thought to be the purview of sci-fi novels. In this issue, we look at how some of these forward-thinking techniques and perspectives are shaping the world of direct.

For instance, to better understand prospects, mail industry leaders around the globe are turning to neuroscience. ("Mining the Mind," pg. 24). One study, for instance, revealed that consumers' brains engage longer and more positively with mail messages than with digital ones — a point to consider when thinking about your next big campaign.

But other disciplines aside, technological innovation remains at the heart of the mail channel's push ahead as innovators continue to find new ways to meld digital and print messaging. We spotlight the result of one such convergence with an inside look at the groundbreaking Cloud2You program ("Floating Ideas," pg. 30).

Strangely enough, though, forward-thinking ideas aren't always found by looking ahead. Sometimes, we can learn as much by looking back on great innovators, a point we underscore with a look at a book on the marketing secrets of the legendary Grateful Dead ("Can the Dead Liven Up Your Marketing?" pg. 18). As our interview with author David Meerman Scott reveals, marketing ideas that once seemed ahead of their time can be just right for today's audiences.

But whether you draw ideas from our cultural past or the high-tech future, great marketers always pioneer new tactics and fresh strategies that help their businesses here and now. To find out how, feel free to move forward ... through the pages of this issue.

deliver
a magazine for marketers

EDITORIAL STAFF

Editor
Thomas J. Foti

Managing Editor
Lori D. Savage

Contributing Editors
Darrell Dawsey
Lori Bremerkamp

Creative Director
Laura Rogers

Associate Creative Director
Todd Kraemer

Art Production Manager
Joseph Ferraro

Art Director
Grayson Cardinell

Editorial Director
Dan Grantham

Copy Editor
Sheila Walsh Dettloff

Production Manager
Lynn Sarosik

PUBLISHING STAFF

Publisher
Angelo Acord

Associate Publisher
Julie Preston

Project Management Specialist
Mary Carlington

Deliver® is published six times yearly by Campbell-Ewald Publishing, a division of Campbell-Ewald, 30400 Van Dyke, Warren, MI 48093-2316. Tel: 586.558.5249. Visit *Deliver* at delivermagazine.com, or send us an e-mail at delivermag@usps.com.

Subscription rates for the U.S.A.: \$3.95 per issue. Subscription requests should be sent to: *Deliver*, Subscription Center, 30400 Van Dyke, Warren, MI 48093-2316. If you prefer not to receive *Deliver*, please visit delivermagazine.com, select My Account and Unsubscribe.

Manuscripts and photographs are submitted at the sender's risk. Enclose a self-addressed, stamped envelope for return of material. Submission of material implies the right to edit and publish all or in part. © 2011 United States Postal Service.® All rights reserved. TM - Trademark of the United States Postal Service. Your information is protected by our privacy policies. See usps.com for details. Unless otherwise indicated, the Postal Service™ does not endorse any individual or company, nor any service or product not offered by the Postal Service.

ROY RITCHIE

deliver
a magazine for marketers

CONTENTS

VOLUME 7 / ISSUE 2 • APRIL 2011

FEATURES



S M L

14

The Medium Gets Larger

Using data and design you can boost the power of your direct mail efforts.



S M L

18

Can the Dead Liven Up Your Marketing?

Marketers have important lessons to learn from an iconic rock band.

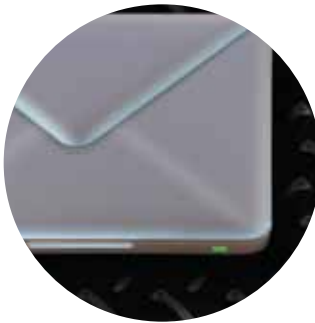


S M L

24

Mining the Mind

New research looks at how your brain processes direct mail and digital. Hint: They're very, very different.



S

30

Floating Ideas

Software innovation makes sending direct mail as simple as sending an e-mail.

USE THIS KEY

Our handy little guide to help you quickly find the stories in this issue that are relevant to your business.

S SMALL BUSINESS
Less than 100 employees. The hedges need trimming — better grab the clippers.

M MEDIUM BUSINESS
Between 101 and 499 employees. Garden outside the entrance is an afterthought, and it shows.

L LARGE BUSINESS
More than 500 employees. Boy, those lawn service guys have it made — working outside in summer. Lucky dogs!

INSIDE EVERY ISSUE

- Postings** Using social media tools to build your mail campaign 4
- Leader Column** Direct mail and the gorilla in the room..... 8
- Demo Graphics** Why college grads are great targets..... 9
- P.O.V.** How can you get targets to open direct mail?..... 10
- Outside the Box** Techniques that add power to a powerful medium..... 11
- Pushing the Envelope** Spy kit delivers on critical mission 12
- Last Word** Play the marketing game — you might just pick a winner..... 34



COVER PRINTED ON RECYCLED PAPER WITH 10% POSTCONSUMER WASTE. BODY PRINTED ON RECYCLED PAPER WITH 20% POSTCONSUMER WASTE.

ON THE COVER:
POSTER ART BY ADAM HAYES; PHOTO BY JOSEPH PUHY

DELIVERABLES

A BRIEF LOOK AT SOME BIG ISSUES
IN DIRECT MAIL

POSTINGS



BY THE NUMBERS

\$571 billion

The amount of sales in the U.S.
driven by direct mail in 2010, up from
\$556 billion in 2009.

2.4%

Increase from 2009 to 2010 in the
amount of money businesses in the U.S.
spent on direct mail advertising, with the
figure rising to \$45.5 billion last year.

\$48 billion

The projected amount that U.S.
businesses will spend on
direct mail in 2011.

COUPONS

A MARRIAGE OF CONVENIENCE

It's called "marriage mail," and many of us have received it in the form of coupon-stuffed Valpak® envelopes or 11" x 10" RedPlum™ books. Yet for all its ubiquity, many marketers fail to alert their clients to this tremendously simple direct marketing value. "Most of my clients don't realize it's out there until we tell them about it," says John Bagwell, president of Dallas-based Bagwell Marketing. "Then they'll look back on it and say, 'Why didn't we know about this before?'" According to Bagwell, the advantages of marriage mail are many. Total cost including printing, production and postage can range from 2 cents to 12 cents per household delivered depending on the mail provider. The low price allows businesses to communicate more consistently with consumers through special offers, coupons and product/service announcements. Since marriage mailers often feature coupons from large brands, they can put smaller local businesses in prestigious company.



INTEGRATION

Make Your Social Net Work

Using Facebook and Twitter to build mail campaigns

It's the new conventional wisdom — your direct mail pieces should point customers to your branded website and social media account. But Debra Ellis of Wilson & Ellis Consulting (wilsonellisconsulting.com) advises direct marketers to flip the script. She recommends using social sites like Facebook and Twitter to drum up anticipation for your direct mail campaigns.

An integration specialist and author of the e-book "Social Media 4 Direct Marketers," Ellis views online and offline messaging as different sides of the same coin. Scoffing at the notion that modern marketing is "all about the conversation," Ellis advises clients to build social media communities with the goal of selling — not simply trying to be the customer's pal. "Social media (allows) a wonderful opportunity to talk to customers one-on-one," Ellis says, "but if we're only chatting about the weather, how do we move them into the sales cycle? The only thing that motivates the customer is a need or perceived need."

So instead of squandering those valuable social conversations, Ellis advises businesses to use Facebook, Twitter, LinkedIn, FourSquare and FriendFeed to push their direct mail campaigns. "At least once a day, throw in a comment about your direct mail pieces," Ellis says. "Instruct the people in your community to sign up to receive your mailer, then count down the days until that piece is in the mail. You could even go to the point of creating a YouTube video of the products presented in your direct mail piece so people get an interest."

"Instruct the people in your community to sign up to receive your mailer, then count down the days until that piece is in the mail."

— Debra Ellis, consultant

Ellis says scenarios like this represent the future of marketing: "Instead of pure-play mail, or pure-play e-commerce, marketers are starting to realize that multichannel messaging is infinitely more valuable."

Included in the purchase of "Social Media 4 Direct Marketers" is membership to a special LinkedIn group devoted to integrated marketing. Members receive updates on strategy, tools and tactics from Ellis' own tests and marketing experiences.

TEIRA IMAGES, JUPITER IMAGES

**YOU
SHOULD
KNOW**

ACCORDING TO WINTERBERRY'S "VERTICAL MARKET TRENDS IN DIRECT MAIL 2011," NON-CATALOG DIRECT MAIL OUTPACED ALL OTHER MEDIA IN 2010 IN CUSTOMER ACQUISITION AND RETENTION.

DIGITAL VISION, JUPITER IMAGES / JOHN LUND, BLEND IMAGES, GETTY IMAGES / OJO IMAGES, JUPITER IMAGES



PRODUCTION

Direct mail, made simpler

U.S. Postal Service® extends the rules for Every Door Direct Mail™

Are you looking to reduce mail preparation time, lower costs and eliminate the need to purchase address lists? Every Door Direct Mail (the method of using the term "Postal Customer" instead of a full name and exact address on mailers) rules have been extended to include mailing to every

address in a geographic area. Every Door Direct Mail relieves marketers of having to constantly refresh lists of exact names and addresses. Furthermore, marketers are able to reach a greater number of potential consumers. For more information, visit USPS.com/simplifiedaddressing.

DELIVERABLES > POSTINGS

“Recognizing customers in various media channels may be difficult, but it is not impossible. The key is integrating information to gain a more complete perspective of the customer. Using robust matching criteria to link extensive online and offline data can improve the accuracy of a marketer’s view of a customer.” — *Tim Suther, CMO and senior VP, Acxiom*



RESPONSE

STAMP CHAMP

Looking for a way to boost customer response and increase the visual appeal of your mail? Smart Stamp® (smartstamp.net) enables all mail to conveniently link and interact with online information to give added oomph to your direct marketing initiatives. The Smart Stamp barcode prints right onto the stamp or envelope without interfering with the reading, scanning and verifying U.S. Postal Service® Intelligent Mail® or other barcodes.

Smart Stamp codes can be generated by businesses and placed on envelopes for printing, or integrated into real U.S. postage with PhotoStamps® or other approved software-only postage

services that allows customers to buy and print postage online. You just upload the code on an easy-to-use interface to apply as postage for limitless personal and business uses.

Creator Elliot Klein has distributed Smart Stamp with PhotoStamps from Stamps.com. “We had great results in learning about user experience and the application of Smart Stamp for voting services,” Klein says. “We’re looking to integrate our solution with U.S. Census and other election and absentee ballot processes to provide a new solution that bridges the trust and security of Postal mail with the authentication and verification power of Smart Stamp.”

TARGETING

Cultivating Success

Fertilizer supplier uses mail to woo eco-conscious prospects

The stakes couldn’t have been higher. In 2010, eco-friendly fertilizer supplier Converted Organics wrangled a retail agreement with a big box home improvement chain. “With a

big retail store, you have about two years to prove yourself,” Converted Organics marketing manager Kristen Brandt says. “This was really our year to make it or break it.”

To ensure their company didn’t “break it,” Brandt’s team devised a multichannel marketing initiative dubbed “We Grow Great Grass.” Purchasing a list of green-minded consumers in the Northeast, Converted Organics targeted nearly 200,000



prospects in the retail, professional landscaping and golf markets. As an incentive to consumers and homeowners, one series of mailers promoted a sweepstakes offering an organic lawn makeover.

The mailers outperformed all other media, sales increased up to 140 percent, and Converted Organics clinched a deal to move its products into 68 additional stores in the chain. “The results have been great,” Brandt says.

PORTRAIT BY GLENNIT / WILL WOODS, PHOTOGRAPHERS CHOICE, GETTY IMAGES / JILL FROMER, PHOTODISC, GETTY IMAGES



POWERFUL AND TRUSTWORTHY

Show Off!

Tradeshow exhibitors display the power of direct mail

Amidst all the talk of online and social media at the 2010 “Expo! Expo!” trade exhibition in New Orleans, a panel of marketing experts surprised attendees when they extolled the timeless virtues of direct mail. Sean Guerre, president of Houston-based Trade Fair Group, quoted what his own marketing staff told him: “Cut what you need to, but don’t touch my direct mail budget!”

According to Trade Fair Group (TFG) marketing director Jamie Reesby, direct mail’s combination of urgency and trustworthiness makes it an ideal marketing medium for tradeshow exhibitors. “We tend to get a spike in registration right after our big conference program hits,” Reesby told *Deliver*.® “There’s something about that mailer in your hand or on your desk. It’s almost like an instant reminder.”

Serving the energy industry, TFG holds 15 exhibitions annually. For its flagship Electric Power Conference & Exhibition, TFG produces a 36-page conference program and ships it to 45,000 prospects. For smaller events, TFG mails a 12-page program, then follows up with postcards. Mailers send recipients to an online landing page. Reesby estimates that about 60 percent of TFG’s budget goes to mail: “Someone receiving a piece in their hands, that can spur action.”

DIGITAL VISION, JUPITER IMAGES / BRANDON LAUFENBERG, ISTOCK VECTORS, GETTY IMAGES

Talking Heads

Business pros share *SMART MARKETING SOLUTIONS*



Gary Anderson

Plowshares Theatre Co., Detroit, Mich.

After celebrating 20 years of regional theater production, Plowshares added to its programming in January by offering acting classes. Relying on its mailing list of regular patrons, the organization mailed 5,000 fliers to homes in metropolitan Detroit urging targets to take advantage of the low-cost sessions. “We got a good 20-percent response,” says Gary Anderson, who was the architect of the campaign. “Direct mail is an effective way of connecting to our audience.”



Amy DeMelia

Snelling Staffing - The Wyckoff Group, Eatontown, N.J.

Amy DeMelia’s temporary staffing agency caught the attention of prospects with a two-step direct mail campaign. The first mailing communicated the “flexibility” that hiring temporary workers affords by attaching rubber bands to the direct mail piece. A follow-up mailing featured a “We’re puzzled that we haven’t heard from you” message — and a puzzle piece. The items could be felt through the envelope, encouraging prospects to open them. The mailings generated \$20,000 in profit.



Jim Gilbert

The Fresh Diet, North Miami, Fla.

The Fresh Diet hand-delivers healthy gourmet meals directly to customers’ homes daily. When the company’s direct mail testing program expanded in early 2010, it used a series of tests for list, offer and creative to find the right marketing recipe for success. “Overall, our direct mail quantities grew from 100,000 to 1 million per mailing in a year, and our revenue increased by 111 percent,” says marketing director Jim Gilbert, “making direct mail one of the largest growth areas for The Fresh Diet.”



Mike Palm

CRP Industries Inc., Cranbury, N.J.

To communicate the benefits of buying from industrial-hose maker CRP, marketing exec Mike Palm mailed attention-getting boxes to hose distributors. Each box played up CRP’s proficiency in select areas. For example, to highlight the company’s speedy delivery, Palm sent an empty box and a catalog with cover text that read, “If you had ordered a hose from us yesterday, it would have been inside this box.” Says Palm: “This campaign cut the amount of time it takes to convert a lead to a sale in half.”



Are you a small business with a smart marketing solution to share? Tell us about it at delivermagazine.com/talkingheads/. We just might feature it in a future issue.

Direct Mail and the Gorilla in the Room

What marketers can learn from two basketball teams and a woman in an ape suit.

Imagine watching a half-minute video in which two teams pass a basketball. One team wears black shirts, the other wears white. Your task is to count how many times the team members in white complete a pass. If you are like most people, chances are you will report the correct number of passes. But there is about an even chance that you will completely miss the woman in the gorilla suit ... even though she walks through the game in plain sight, including pausing to face the camera for a bit of chest beating before striding off.

By means of the gorilla challenge and other ingenious tests, a pair of cognitive psychologists demonstrated years ago that, try as they may, people simply cannot focus on more than one thing at a time. And though the psychologists never marched a gorilla past a mailbox — at least, as far as we know — we cannot help but see a possible connection between their research and this tidbit from a recent survey: About 79 percent of households read or at least skim their advertising mail, whereas only about 19 percent of commercial e-mails are even opened.

The same survey reports that it is e-mail from unknowns, or with too-long or irrelevant subject lines, that tends not to win attention. Seen in light of the gorilla test, this is hardly surprising. When people check their e-mail, they rivet their attention on the “From” field for names they know, and on the “Subject” field for short, relevant items. When minds are engaged in that manner, e-mails from strangers, or with irrelevant or too-long subject lines, may as well be invisible gorillas, chest-beating and all. Assuming, that is, that they evade spam filters in the first place.



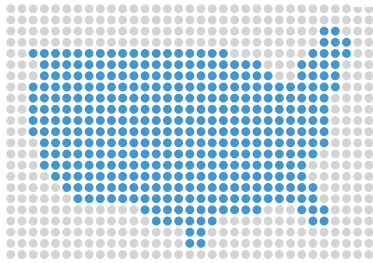
By contrast, as people retrieve and sort through their mail, they must focus on each piece, one at a time, in order to settle on which ones they will explore further. In its moment, each piece — including advertising mail — commands full attention. And not just so people can avoid inadvertently discarding letters, bank statements or bills, either. Three out of four Americans say they like, trust and read advertising mail. In fact, for new product announcements, the open rate for direct mail is about 1.7 times that of commercial e-mail. That includes Generations X and Y, even though they grew up with the Internet.

Moreover, a visit to the mailbox is a daily, anticipated event. Most people look forward to it. And, conveniently for advertisers, it's an event that takes place away from the competing clamor of TVs, computers, stereos and video games.

Of course, there's no need to don a gorilla suit and saunter by a mailbox to prove that direct mail packs a punch. Direct mail's consistent ability to deliver a robust ROI, along with survey data, do that on their own. So if you're looking for a solid way to keep the market's eye on the ball in an online world, count on direct mail.

It's the antithesis of the invisible gorilla.

LIFESIZE, JUPITER IMAGES



Top Spots for College Grads'
(Percent of people who have completed a bachelor's degree in United States, 25 years and older)

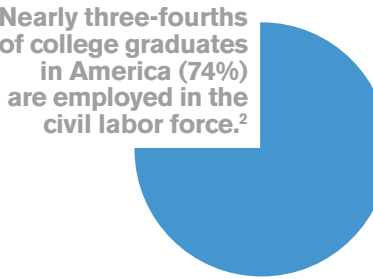
48.5%	....	District of Columbia
38.2%	....	Massachusetts
35.9%	....	Colorado
35.7%	....	Maryland
35.6%	....	Connecticut
34.5%	....	New Jersey
34.0%	....	Virginia
33.1%	....	Vermont
32.4%	....	New York
32.0%	....	New Hampshire



A DEGREE OF DIFFERENCE

68%
of college-educated
Americans are married. 17% are
single. Just 9% are divorced.²

12%
of college graduates believe direct
mail is the place to look for a bargain.³



More than a quarter of all Americans 25 years old and older (28 percent) have at least a bachelor's degree, according to the latest Census. But in spite of its relatively small size, this market segment is ripe for direct marketing appeals, especially through mail.

“College graduates are known in the advertising world as print imperatives,” says Peter Francese, demographic trends analyst for Ogilvy & Mather Worldwide. “Printed material has more credibility with them [than other types of media]. They are more likely to absorb and pay attention to it — like a well-designed and well-crafted direct mail piece. Direct mail is seen as a form of printed media to them.”

Bottom line: College grads are a trifecta in the world of direct mail: They are amenable to it, have more discretionary income, and are more likely to be employed. — Vicki Powers

51%
of college-educated
Americans are women.²

Magazine readers are typically more college educated, says Rob Roosa, director of research at Targeted Media Inc. His clients mail relevant magazines to professionals with ads wrapping the cover. More than 7 of 10 recipients value the wrap, Roosa says.

1 U.S. Census Bureau, American Community Survey, 2009. 2 U.S. Census Bureau, Current Population Survey, 2009 Annual Social and Economic Supplement. 3 Adweek Media/Harris Poll, December 2009.

IMAGE SOURCE, JUPITER IMAGES

“What are the most effective methods for getting targets to open direct mail?”



L

PAULA LEDBETTER SELLERGREN

Director of Marketing
Mather LifeWays

Direct mail is a primary tactic within our marketing efforts at Mather LifeWays. We find that our demographic of 55-plus is still opening their mail and, more important, responding. What works: Interest surveys, oversized mailers with large colorful photographs (don't forget captions) and including the power of a BRC in our mailers all help us get larger response rates. **We find that sometimes people just don't want to pick up the phone, so BRCs give them an easy way to interact with us.** Dimensional mailers also get great response, because who isn't curious about what that lump is all about in the envelope?



M

IMRAN SYED

Marketing Manager
BAASS Business Solutions Inc.

Direct mail isn't simply sending a letter, which is often construed as a bill. With creative direct mail, your receptionist walks in with a shiny personalized envelope hand delivered to you. You look back at your monitor and then this tangible object in your hands — what would be your next move? **Your direct mail piece must also be part of a larger system that incorporates other aspects of the tactical marketer's toolkit.** This will impress your audience and more likely evoke action.



S

DANIEL DAWSON

President
@ Home Rentals and Rent To Own

The best direct mail campaign that I use on a weekly basis for my St. Louis tenant-placement company and investment property company is a yellow letter marketing system. **We experience a 99-percent open rate and, on average, an 8-percent to 10-percent response rate.** We accomplish this by first having a hand-addressed envelope and First-Class Mail® stamp. Second, we have our letter hand-written and copied on a yellow sheet of notebook paper. The hand-addressed envelope combined with the hand-written yellow letter holds their attention from start to finish.

PORTRAITS BY GLEUKIT

Making Mail Innovative

New techniques are adding power to an already powerful medium.



Gary Reblin is vice president of Domestic Products for the U.S. Postal Service.

“New products or services are only effective to the extent that they help our customers communicate more clearly or efficiently.”

There's a perception among marketers — and consumers, frankly — that direct mail is not an innovative marketing channel. That it's old-school, a “been-there-done-that” medium that lacks the ability to astound or surprise us.

Let me tell you, nothing could be further from the truth. Mail is not only becoming increasingly innovative, it's doing so in a way that adds more power to what is already a significant marketing tool.

Much of that innovation has centered on combining mail with technologies that extend its reach. The best-known example is probably the QR (Quick Response) code that, when scanned with a smartphone, can drop the reader into a website, a video or any other digital application.

Combining a highly targeted, highly engaging medium like mail with the

immediacy of the Internet has significant power to drive sales. See it, scan it, buy it — tell me that's not innovation at work.

We've also seen innovative uses of direct mail linked to our development of the Intelligent Mail® barcode. Marketers are using this code — which contains loads of useful data — to track their direct mail so they can take actions such as triggering delivery of an e-mail directly before or after the mail, thus increasing the effectiveness and ensuring the target gets the message. Companies have also used the Intelligent Mail barcode to offer customers prepaid postage, or to pay postage costs only when the piece hits the mailstream.

These innovations are a product of our ongoing commitment to listen to what our customers need and help create solutions that serve them. After all, new products or services are only effective to the extent

that they help our customers communicate more clearly or efficiently.

Recognizing that creating a mail campaign can be a complex undertaking for small businesses, we recently unveiled a new system that allows them to target customers in their area without even compiling a list of names and addresses. Using Every Door Direct Mail,™ businesses can send direct mail to select ZIP Code™ locations or to addresses within a specific radius of their location. We even offer a tool that allows them to specify a radius, then see how many addresses are in that zone, how much it will cost to reach them with mail and — get this — print out the paperwork needed to complete the process.

And, really, I'm just addressing the tip of the iceberg. We're studying many other systems that combine mail and digital in innovative ways. So stay tuned. There's more innovation to come.

GREGOR SCHUSTER, PHOTOGRAPHER'S CHOICE, GETTY IMAGES

Mission Possible

CSG Systems uses spy imagery to promote solutions that can help targets complete a critical assignment. // By Mindy Charski

Psst ... here's some confidential intelligence: A spy-themed dimensional mailer with intriguing creative and a high level of relevancy helped CSG Systems gain access to important targets.

OK, so maybe the information isn't all that top secret, but the piece — part of an integrated campaign designed to raise awareness for the company's automated voice solutions — sure does put you in the mood for some skullduggery.

The mailer presents an assignment to recipients as if they were secret agents, and the mission — to increase customer satisfaction while reducing customer communication costs — is likely to resonate strongly with the audience. The effort, which launched in October 2010, explains that the Englewood, Colo.-based company can help CSG customers accomplish these challenging goals.

The piece immediately attempts to engage with a note on the outer black box that includes the prospect's name, the phrase "Mission details inside" and a company logo under the heading "Your Assignment." Inside the box is a tin with earbuds, an MP3 player with a video message, and instructions on how to operate the device. There's also an eight-page "dossier" with information about the solutions, the company, and how to contact the target's assigned salesperson.

The one-minute video opens with a close shot of an intimidating man clad in a suit and sunglasses sitting at a table with a wall directly behind him. On the table is a file, and the wall displays a large CSG seal. There's static — creating the impression the message is being transmitted from a covert location — and the first word the actor says is the prospect's name. He reiterates the mission, explains that recipients can receive a free video-camera spy pen for meeting with a CSG "operative," and lists some product features. Before static permeates the

final frame, the man says, "At the completion of this assignment, your customer communication inefficiencies will self destruct. Good luck."

The effort was aimed at 150 prospects at the vice president and director levels within the contact center and customer care departments of firms in the financial services, cable, telecommunication and retail industries.

As the piece is also meant to encourage recipients to book meetings with CSG, the company followed up the package with a call from a sales representative and two e-mails with links to a dedicated landing page. There, people could learn more, download a white paper, and access

the video. The company could very well have launched the campaign with those assets alone, but it recognized the role mail could play.

"We had a very targeted list and we wanted to make sure we engaged them, got their attention, and ultimately booked the meeting," says executive director of marketing Adrienne Steiss. "If [e-mail] is the only communication I'm getting, it's not going to get my attention."

So how much did CSG spend on the effort? That's classified, but Steiss indicates that just one deal that emerges from the long sales cycle will more than cover the campaign's costs. Less sensitive figures: The company set a goal of scheduling 10 to 15 appointments with prospects, but the effort actually garnered 18.

For CSG, that's a mission well accomplished.

THE ESSENTIALS

Company: CSG Systems, Inc. (Englewood, Colo.)

Agency: Hodgson/Meyers (Kirkland, Wash.)

Target Audience: 150 executives at the vice president and director levels in the contact center and customer care departments of financial, cable, telecommunication and retail industries.

Goal: Raise awareness for the company's automated voice solutions and book meetings with highly qualified leads.

DM Vehicle: A tin that contained earbuds, an MP3 player with a video message, and an eight-page informational booklet.

Response: 12 percent of prospects booked appointments.



FOR YOUR EYES ONLY:

CSG Systems went undercover to communicate the benefits of its automated voice solutions to executives. The direct mail package included a covert video message delivered via MP3 player to enlist the targets to meet with a CSG "operative." An eight-page dossier supplied intelligence on the company. While the direct mail piece didn't self destruct, CSG predicted that recipients' customer communication inefficiencies would.

the medium gets LARGER

Technological improvements
have made mail more
muscular than ever while
also increasing its flexibility.
Here's how you can
optimize to the max.

by Bruce Britt

Call it "ad nausea."

It's the consumer sickness stemming from the overwhelming glut of ads splashed across TV, the Internet, radio, magazines, newspapers, billboards and more. According to a 2007 InfoTrends report, the average person receives as many as 3,000 advertising messages a day.

But now it appears more and more consumers are tuning out.

A recent CMO Council study reveals that 91 percent have opted out of emails, while 63 percent say they would consider defecting from a brand that sends them generic, irrelevant content. A startling 22 percent claim they already had defected. "We're living in a world where marketers have access to an incredible abundance of data, yet they don't optimize it to help boost their bottom line," says Sandra Zoratti, VP of Global Solutions Marketing for InfoPrint Solutions. "The lack of attention means that all communications are now noise and consumers are blocking it out."

OK, so that's the bad news. The good news is that improvements in technology, cost and data analytics now enable your company to target and shoot with the kind of precision that blasts through the competitive din. A growing number of companies have already adopted optimization strategies that transform the impersonal traditional direct mail experience into something intimate, customized and highly personal. So instead of doing mass



mailings, maybe it's time you demanded that all your marketing initiatives live up to their analytics-enabled potential, and that especially holds true for your direct mail.

With the magic of data analytics, you can now send your customers a one-page monthly billing statement featuring full-color ads promoting your other products and services. Or, how about selling your transactional statement ad space to third-party businesses whose services your customers have already expressed an interest in? Imagine a personalized catalog including content expressly selected to fit the recipient's preferences. These sample scenarios represent the promise of "precision marketing" — the buzz phrase for a consumer marketing strategy that leverages data analytics together with the strategic use of color and compelling design.

Indeed, a growing chorus of experts believe that the very future of marketing lies in precision marketing. For direct marketers, one of the most relevant, popular and effective precision marketing techniques is "transpromo," which transforms must-read transactional statements like bills and invoices into hard-working, high-performing cross-promotional tools.

Industry experts prefer the broader term "precision marketing" since so many of the benefits have little to do with promotion. According to the precision marketing doctrine, valuable document white space can be used to consolidate information, thus saving operating costs.

Precision marketing techniques were popularized by analytics-driven retail and social media companies. They created computer algorithms that digitally review your e-mail content, shopping history and social network profile. Now, marketers are applying those same algorithmic principles to direct mail through must-read documents.

While experts say that precision marketing works across all channels, many believe it is particularly advantageous for direct marketers. By optimizing Postal materials like high-touch/high-read transactional statements and publications, direct marketers can leverage the trust consumers already have in mail.

"What I am seeing is an increase in direct marketing via direct mail, and a decrease in generic online marketing messages," Zoratti says. "To me, that's an indicator that the least expensive communications mediums such as banner ads and e-mails are losing the eyeballs and becoming irrelevant to increasing loyalty or retention. Marketers are missing an opportunity across all types of mail — whether that be transactional, traditional direct mail, catalogs or magazines — to show customers that they're paying attention. One-to-one communications has been proven to increase cross-sell and upsell opportunities, brand awareness, loyalty and revenues. The same cannot be said for online marketing any longer."

ADVENTURES IN OPTIMIZATION

To get a sense for how mail optimization works with precision marketing, consider the average bill you routinely receive from retailers, utilities, insurers, financial service providers and the like. Note how pertinent information such as account numbers and billing info is the least of the statement, while the most prominent feature is white space. Precision marketing experts view that expanse as profit-generating real estate.

That's why savvy marketing consultants are moving their clients into mail optimization. Mark Peterson of Chicago-based Diamond Marketing Solutions consults for a national consumer security company that operates 4,000 dealerships across the United States and has more than 1 million billable customers. "We're putting a program together

where we provide the billing for that company's dealerships to market other products within the community that they serve, one-to-one," Peterson says. "What an opportunity for all of them to set up a database that collects articles, data or messages that can go out for that specific dealer. And it really doesn't cost them a whole lot."

One of the world's largest hotel chains is already on board. In 2008, the chain recruited InfoPrint Solutions to help redesign its lifeless loyalty statements. The result was a textbook example of mail optimization techniques.

Page one of the revamped statements opens with a personalized greeting and an itemized

list of charges below. Space on the side and the bottom of the page showcases details of a co-branded promotion with MasterCard. A second page features space for third-party promotions, an "educational" alert advising customers to update their contact info, and boilerplate language.

InfoPrint Solutions reports that these intelligent changes resulted in a 15-percent uptick in program registrations, a 39-percent increase in number of stays, and a 500-percent rise in the chain's branded MasterCard applications. "The hotel chain was able to almost double ROI on the precision marketing campaign," Zoratti says. "ROI was 278 percent, vs. the old, business-as-usual statement where ROI was 178 percent. This example clearly demonstrates how precision marketing helps drive real, quantifiable results."

A HOLLYWOOD DEBUT

The Los Angeles Department of Water and Power (LADWP) was born more than 100 years ago when legendary engineer William Mulholland designed an elaborate system to bring water to parched Los Angeles. Today, the utility operates under a \$4.19 billion budget, supplying water and energy to a whopping 3.8 million residents and businesses.

But back in 2008, it was the water department's public image that was all wet. An internal

MUST-READ MESSAGING

Download a white paper with ideas for maximizing your mail at delivermagazine.com/strategy/.



“THE HOTEL CHAIN WAS able to almost double ROI on the precision marketing campaign.”

study found that 25 percent of the utility's customer calls — approximately 4 million calls — consisted of people inquiring about their monthly bill. An independent customer satisfaction survey ranked LADWP in the bottom quartile of national utilities. "City council was receiving information from customers saying 'We need a clearer bill,'" says Mark Townsend, LADWP assistant director of Information Systems Strategy and Project Delivery.

LADWP recruited InfoPrint Solutions to consult and provide hardware. The famed utility drafted its first redesign, then conducted eight focus group sessions to generate input from residential, commercial and large commercial customers. That feedback was incorporated into yet another redesign, which was then focus grouped. The result of all this tweaking is a duplex-printed, 8" x 11" statement with onserts replacing the old inserts. The nauseous green color scheme of old is replaced with white pages offset by high-contrast text and graphics in cool blue, mint and warm yellow.

The first page features a summary of the previous bill amount, payments received, new charges, total amount due, and any past-due balances. Page two contains details of electricity charges with a blue-hued graph showing the customer's 14-month consumption history, as well as an accompanying thermometer chart illustrating the LADWP's tiered pricing system — "so you can gauge whether you're going into the next tier and might need to conserve to avoid getting into higher-priced electricity," Townsend explains.

A third page features water and sanitation charges accompanied by a water consumption graph, while page four informs customers how and where to pay their bill. Finally, the LADWP "Connections" newsletter has been changed from an insert to its own two-sided onsert. Plans are in the works for photos to accompany promotional-type information, including information about rebates for low-flush toilets, online bill pay and more.

"The idea is that we're trying to provide enough info on the first page,"

A redesigned Los Angeles Department of Water and Power statement is more customer-friendly and saves the company about \$500,000 annually too.

Townsend says. "We find that if the bill falls within the boundaries of what a customer is expecting — say you're expecting a \$100 electricity bill and it's \$95 — then most people don't need or want to look any further."

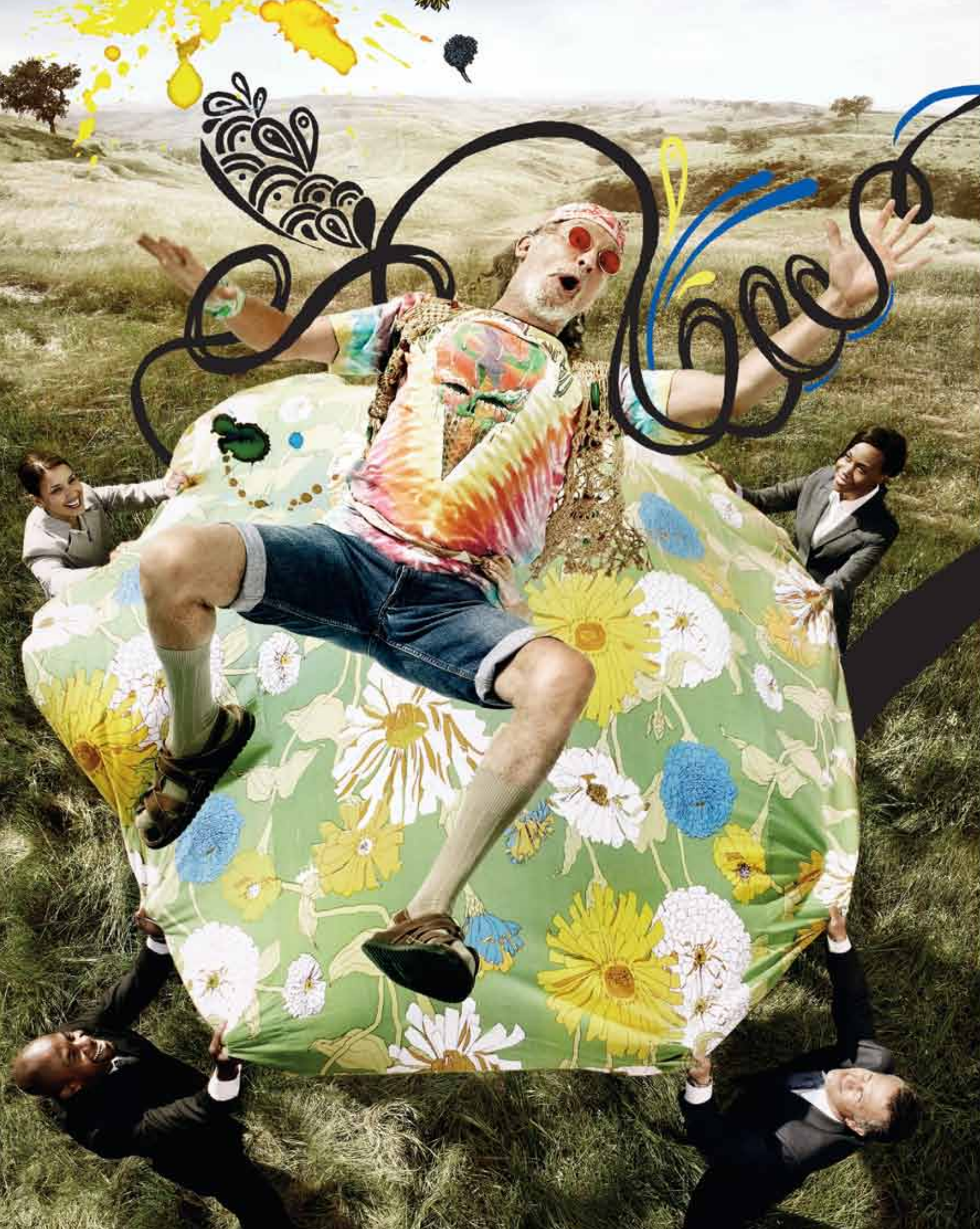
Though Townsend couldn't provide a total cost estimate for LADWP's investment, he estimates it will save approximately \$500,000 annually by eliminating inserts alone.

Having been leveraged by both the nation's largest municipal utility and hotel

chain, it appears that precision marketing mail optimization strategies are approaching critical mass. But companies should engage sooner rather than later.

"The companies that apply this now have an incredible head start on their competition," Zoratti says. "They're going to engage with their customers; develop stronger, more intimate relationships and exceed initiative expectations. People who adopt these practices later will have a much tougher row to hoe breaking those loyal customers away from the companies that have already engaged with them." **d**

Get tips and advice for making the most of your direct efforts at delivermagazine.com/optimize/.



★ CAN ★ THE DEAD LIVEN UP your MARKETING? ★ BY DENISE CRITTENDON

The co-author of *Marketing Lessons from the Grateful Dead* explains what direct can learn from the iconic rock band.

What do the promotional strategies of a rock band have to do with modern business messaging? Plenty, according to David Meerman Scott and Brian Halligan. Scott and Halligan are authors of *Marketing Lessons from the Grateful Dead: What Every Business Can Learn from the Most Iconic Band in History*. From strong brand loyalty to effective direct mail tactics, many of the goals sought by today's CMO are objectives that the band nailed cold in its own quirky fashion during its three-decade run. Co-author Scott talked with *Deliver*® and shared his insights on how the group's unconventional wisdom and pioneering style can be successfully adapted by today's businesses. >>

PHOTOGRAPHY BY NOEL SPIRANDELLI ; ILLUSTRATIONS BY SARAH J. COLEMAN



DELIVER: You've written an innovative book that explores the marketing philosophy of the Grateful Dead. Generally speaking, how is the band relevant to direct marketers today?

DAVID MEERMAN SCOTT: The Grateful Dead treated fans with tremendous respect, and my sense, from so many direct mail and marketing efforts, is that there is a very one-way relationship between companies and potential customers. If you apply lessons from the Grateful Dead, you will think of different ways to engage your audience.

DELIVER: Which lessons in particular should be applied?

SCOTT: In chapter 10 we talk about putting fans in the front row. Once people have a mailing list, assuming it's an in-house list of your most loyal supporters, you can figure out who are most loyal and you can 'put fans in the front row.' The Grateful Dead had a mailing list in pre-web days and offered the best concert seats to those on the mailing. Segmenting your list in such a way that your best customers get something special from you is a good idea.

DELIVER: Can you give an example of what would be considered "something special?"

SCOTT: Think of the magazine industry. The typical magazine gives the best price to people who don't subscribe. If you don't subscribe, they give you a subscription of \$10, but if you renew, it's \$30 a year. The Grateful Dead did the exact opposite. Their best customers got the best seats. That's treating fans with respect. Another thing the band did is free up content. They allowed fans to make audio recordings of their concerts. While other bands said no, the Grateful Dead welcomed it.

DELIVER: From a direct marketing standpoint, what can companies offer?

SCOTT: Create a video series, an e-book or something similar. Rather than send direct mail containing a product, how about direct mail that alerts people to something interesting on the web that they can have for free? The purpose is not to sell something immediately, but instead, to develop someone who is a fan of your company into a customer who will buy much more later. I'm suggesting that people create content on the web and use direct mail to talk about and promote it; offline driving to online.

DELIVER: In your book, you stressed that the Grateful Dead tended to rely on concerts rather than record sales. Was this part of their unique approach?

SCOTT: The Grateful Dead provided fans with such a great experience that people wanted to come back many more times. It was a partnership, having fans come to 20 or 30 shows over a lifetime. Instead of doing \$9 records, they were generating a following.

DELIVER: How does a company go about creating such a unique business model?

SCOTT: In a sense, the Grateful Dead was not in the business of selling records. They were in the business of getting people to come to concerts. Companies that use direct mail need to think, What do we want people to do? Do we want people to buy one product, or to do something more, to become involved with our company? Then they can determine what business model they can create to accomplish that.

DELIVER: You also discuss the fact that the band allowed fans to use their logos on t-shirts and other paraphernalia. How did they manage that?

SCOTT: The Grateful Dead had an iconic logo — the band's logo was among the top most recognized logos in the world. People were making T-shirts and selling them in the parking lot. The band said, "That's OK, but you need to license it properly." Rather than cracking down, they said, "Thanks a lot, but do it legally, and here's how you can do it." What they essentially did was partner with their fans.

DELIVER: In your book, you emphasize the Grateful Dead's memorable name. Do you suggest that the more unusual a brand's name, the better?

SCOTT: Yes. Consider what everyone in your industry believes is the right thing, and then decide that maybe the complete opposite is the right thing. When the Grateful Dead started in 1965, there was a wide range of different types of bands — blues, jazz, classical, country. They were none of those and all of those. So they created a new category, a jam band. That can be true of any company. If you look at the landscape of competition, maybe you can create something new.

DELIVER: How can marketers best take advantage of these secrets?

SCOTT: Be yourself. That's the last chapter of the book. Be who you are and have fun. If you

don't love what you do, it's going to show in the results. If you truly do love it and create interesting messages that work well, use that to your advantage and enjoy the process of communicating that to people.

DELIVER: Does anything else set the band apart from its peers?

SCOTT: They believed in giving back to the community. Some businesses might superficially give back by donating to the community, but the Grateful Dead raised \$10 million by giving benefit concerts and creating a foundation.

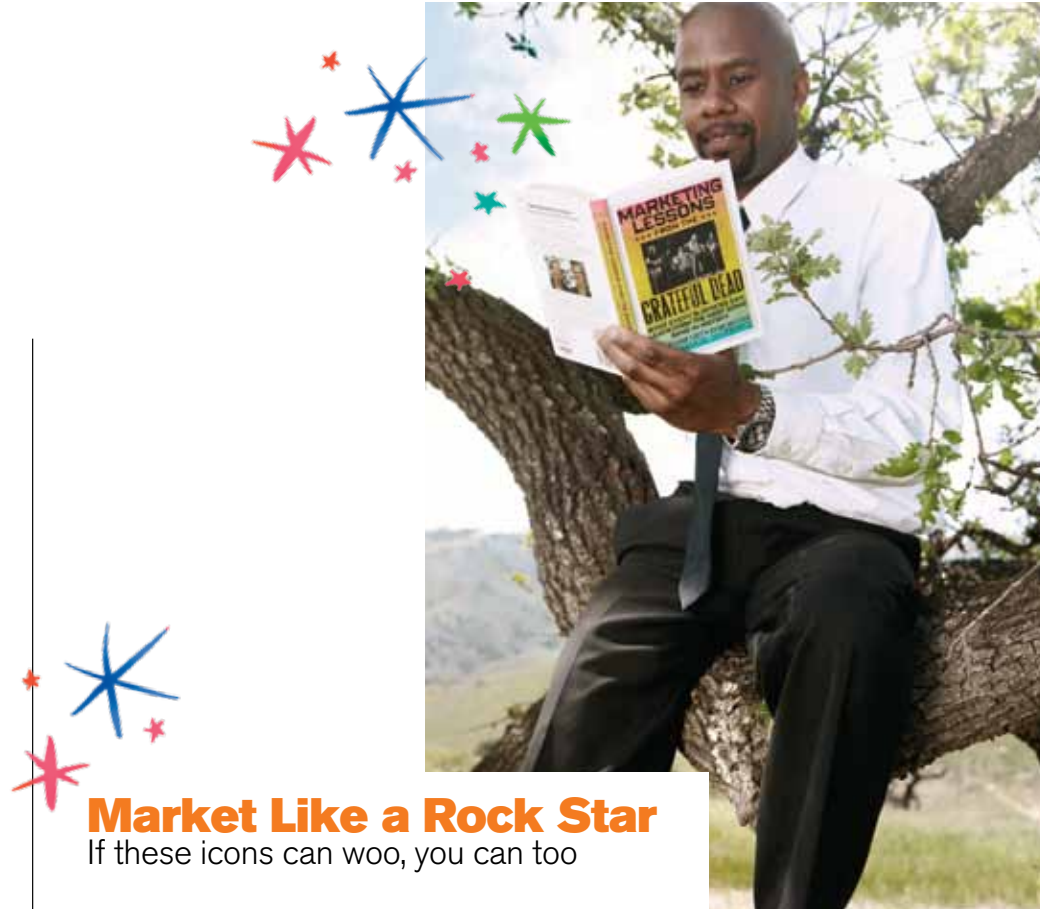
DELIVER: Do you recommend that a company promote its charitable endeavors?

SCOTT: If it's a straight donation, no. But if you do something that's beneficial to the community, it's OK to talk about it, to show the community what you've done. For instance, there's the Ronald McDonald House. McDonald's has funded these places and they are all over the world. In a case like that, it's fine to point out the fact that you're doing this and helping the community. But if you just cut a check for \$10,000 and jump up and down talking about it, and then send out direct mail about it, I think that's ridiculous.

DELIVER: What do you think about the direction that direct marketing channels are taking today?

SCOTT: Direct marketing, from my perspective, has always been focused on what's in it for me or for the company. We want to sell you something. We want you to buy something or subscribe. It's always been one way. What the band did was create true partnerships with fans. I'd like to see even more direct marketers figure out how to not just sell products, but also truly partner with the people they are trying to target. 

*David Meerman Scott is the co-author of *Marketing Lessons from the Grateful Dead: What Every Business Can Learn from the Most Iconic Band in History*; © 2010 by David Meerman Scott and Brian Halligan. This book is available at all bookstores and online booksellers.*



Market Like a Rock Star

If these icons can woo, you can too

How did the Grateful Dead generate millions of dollars in ticket sales and a massive fan base? They experimented, strayed from industry standards, offered the unexpected and turned their followers into "evangelists." In *Marketing Lessons from the Grateful Dead: What Every Business Can Learn from the Most Iconic Band in History*, authors David Meerman Scott and Brian Halligan discuss the band's business strategies that apply to direct mail. They include:

Be authentic. The Dead — with their long hair and scruffy beards — were simply themselves. Don't hide behind scripted announcements and press releases. If your company has a quirky culture, get rid of the facade and show your true face through your brochures, catalogs and mailings.

Bypass accepted channels and go direct. The Grateful Dead created their own ticketing office and offered the best seats to their most loyal fans. Use the mailbox to provide consumers with not just messages, but samples, personalized greetings and unexpected offers.

Rethink traditional assumptions. In the 1960s, album sales were the primary revenue source for recording artists. The Grateful Dead focused on touring instead. Likewise, marketers should use mail frequently enough to suss out new revenue streams, overlooked audiences and emerging trends.

Maintain a mailing list. In the pre-Internet days, The Grateful Dead was one of the first bands to

compile a mailing list, thereby building a community of fans. In today's digital world, an overreliance on e-mail addresses — which are often changed and/or discarded — can leave a marketer out of touch. A clean mailing list ensures you're getting your message to the right people.

Mix your marketing. While other bands performed the same music, the Grateful Dead always offered a new concert experience, mixing diverse genres with various music forms. So don't be afraid to mix in dimensional mail, VDP, magalogs and other tools to keep your audience engaged.

Develop a network. Fans at concerts were invited to "taper sections," set up by the band, which created a network of engaged followers across the country. In the same vein, brands should consider using mail to pull audiences into contests, sweepstakes and other events designed to enhance the brand experience.

Offer free products. While other bands were saying no, The Grateful Dead allowed fans to record their performances. This "freemium" approach to marketing draws potential customers. "If you give something away that has value, it will lead to people making purchases from your company," said Scott. "The more you give away, the Grateful Dead has shown, the more people will want to buy. If they had conformed to 'industry best practices,' the Grateful Dead might be one of the thousands of bands on the dead heap of music history."

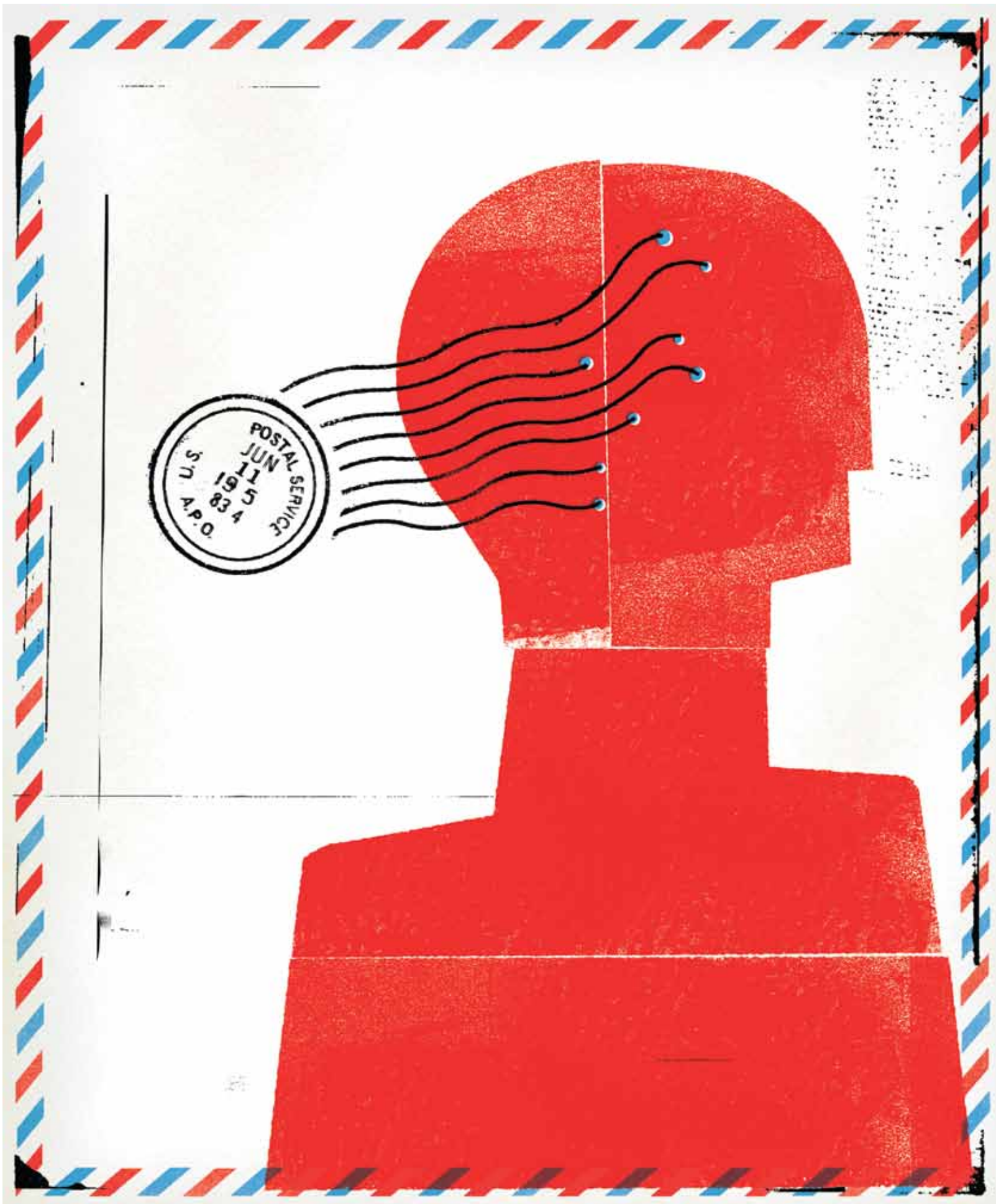


Are you ready for some out-of-the-box thinking?



DELIVERMAGAZINE.COM

HENRIK SORENSEN, STONE, GETTY IMAGES



Mining the Mind

As market researchers look to neuroscience for new data, findings from one study suggest that consumers' brains react more favorably to mail than other channels // *by Chantal Todé*

Marketing has always been about trying to anticipate consumer behavior, of course, from deciphering buying patterns to studying life cycles to deducing which discount offers work best on which age groups.

Given such efforts at prognostication, it seems only fitting that marketers are now turning to mind reading.

Neuroscience technologies like eye tracking and functional magnetic resonance imaging (fMRI) appear to be shouldering their way into marketing studies with increased frequency, and as a result, mailers are learning a lot about how the brain reacts to messaging. A recent neuroscience study conducted jointly by research firm Millward Brown, Bangor University and the United Kingdom's Royal Mail is the latest and perhaps most revealing of the studies, its results showing that direct mail makes a deeper and longer-lasting impression on people's brains than digital advertising.

The study clearly implies that direct mail could play a bigger role in brand building than it's been given credit for previously. Moreover, ROI metrics may soon have to start

sharing billing with other metrics like brand consideration when it comes to measuring the success of direct mail.

Getting inside consumers' heads

Simply put, neuroscience is the biology of the brain. Scientists use technologies like fMRI to measure neural activity and figure out how this activity relates to our sensations and behaviors. Recent advances have reduced the costs of neuroscience research and allowed the discipline to expand into a growing number of fields. In medicine, for example, doctors are looking at ways to use brain implants to help an amputee control a prosthetic limb.

Millward Brown is one of several research agencies that now have a dedicated neuroscience marketing practice, having conducted 120 neuroscience projects worldwide last year. "We set up the neuroscience practice because we saw a need that these techniques could meet" — one that wasn't being met by traditional research methods, says Graham Page, executive vice president of consumer neuroscience at Millward Brown.

illustrations by
**The Heads
of State**

mail
cues new
sensors

it lingers
in the brain
longer

Perhaps most significantly, using neuroscience relieves researchers of having to depend solely on consumers' verbal or written responses to questions, responses that can sometimes be unreliable. "There comes a point," says Page, "where there are issues that people find difficult to talk about."

Direct mail, however, hadn't been the subject of any major neuroscience research until Royal Mail and Millward Brown began teaming up in 2009 to investigate the channel's place in the evolving media landscape. "We were keen to understand how direct mail would work within new emerging media," says Mike West, head of data products at Royal Mail. At the same time, the organization wanted to be able to show businesses, which were starting to switch some of their budget to digital, how the benefits of direct mail and digital media compared.

A scanner lightly

In the study last year, fMRI scanners were used to see which areas of the brain were activated when participants viewed the same marketing message as both a physical piece of direct mail and digitally on a computer screen. Control materials were also presented to participants that consisted of direct mail and digital versions of the real piece, but with the various elements scrambled. "This was important because it allowed us to measure the effect of simply holding something with some degree of visual complexity," explains Page.

Three main areas of difference were uncovered between how study participants' brains processed direct mail and digital messaging: The first area of difference was the degree to which the emotional centers of the brain were activated, with direct mail generating more or deeper emotional processing than the digital messaging. Second, the brain saw the physical material as more real than the digital messaging. Third, there was more activity in the areas of the brain that are connected to introspection when people viewed the direct mail.

The findings suggest "that the brain is more emotionally engaged and is potentially reflecting more on a response" when viewing direct mail, says Page. Also, because the brain saw mail as real, deeper memories were likely being created. He continues: "From an evolutionary point of view, you pay more attention to something that is real and physical and want to understand it more than something that is transient, like something presented on a screen."

Implications for brands

What do the findings mean for marketers? The first implication is that direct mail should still have a place in businesses' marketing strategies, even in the digital era.

"While there are huge benefits of taking advantage of virtual media, our research does suggest that we shouldn't be forgetting more physical media like direct mail," says Page. "Physical, 'real' events like receiving direct mail add an element that virtual campaigns cannot."

He adds that the lasting impression made by direct mail suggests that it's probably appropriate to follow up with recipients of a direct mail campaign even if they haven't responded. "Things that are real [like direct mail] receive preferential treatment in the brain and are likely to engage with people in a slightly different way, which will benefit the brand," says Page.

Companies that want to communicate and differentiate their brand over a long period of time, for example, may want to consider using direct mail to deliver the message, says West. "The experience of a brand stays in the memory a lot longer with a physical piece of direct mail than it does with digital media," says West.

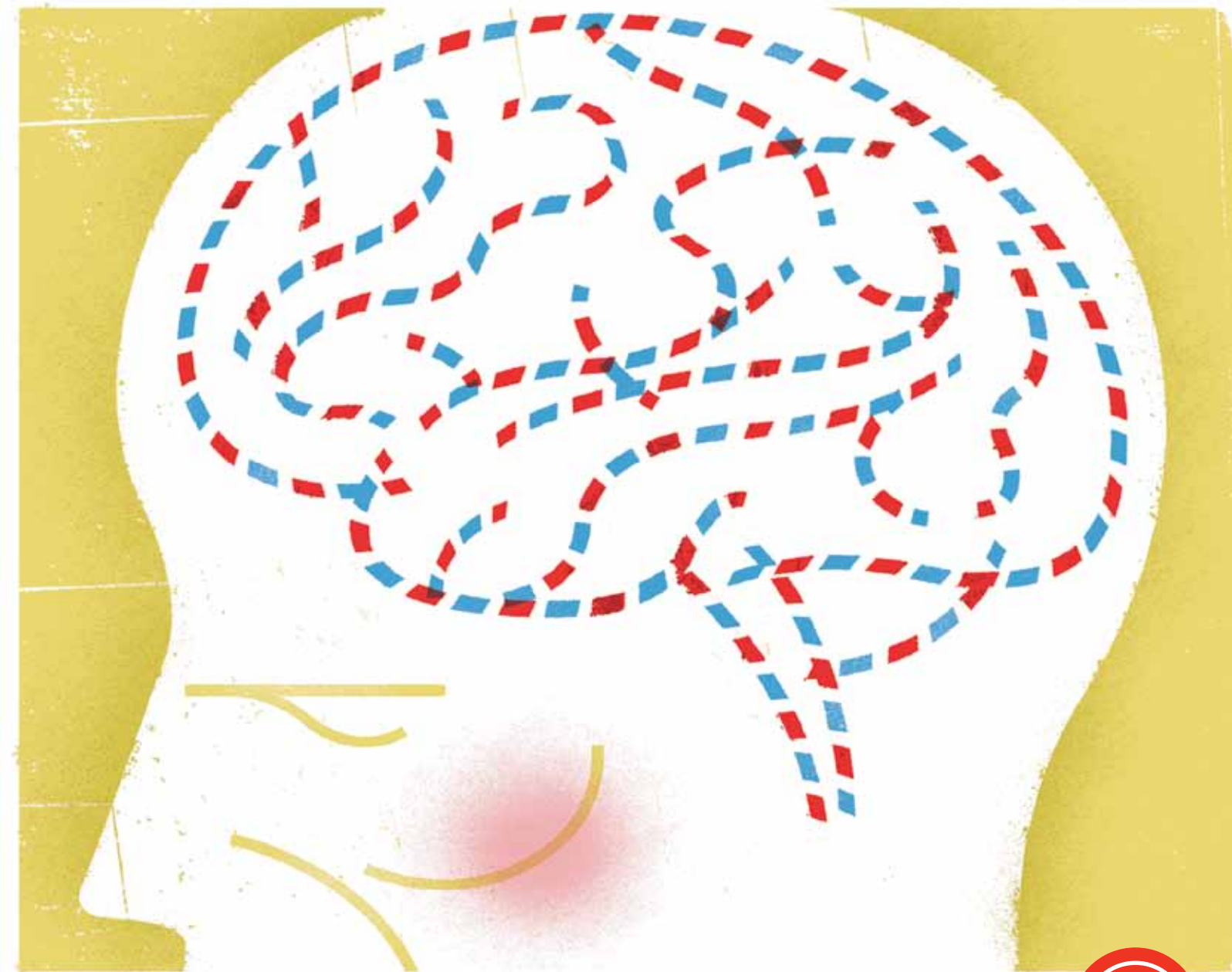
As companies begin to consider direct mail's impact on the brand, one of the big questions they are struggling with is how to measure direct mail's effectiveness when it is not simply driving sales in the short term but also building the brand. Certainly, traditional metrics like response rates and ROI, which reflect how the needle moved in the short term, don't tell the whole story. "Marketers need to start focusing on the overall impact of their direct mail activity rather than just the response rate," explains West.

Yes, he says, marketers should be pleased when a direct mail campaign receives a 6-percent response rate. But marketers shouldn't ignore the remaining 94 percent of the population who didn't respond, West says, "because the direct mail has also done its job in terms of raising awareness and leaving an imprint of your brand, which we can substantiate with the research." Some businesses in the U.K. have begun testing around this, looking to direct mail's impact on brand consideration as well as brand image, and are seeing positive results, he reports.

Page insists that direct mail can be both a brand builder and a direct response mechanism. "I don't think we should just see direct mail as a direct response vehicle," says Page. "Clearly it is a direct response vehicle, but that point of contact with the consumer gives marketers another opportunity to communicate broader brand messages."

Engagement rules

There's another implication of the findings, which relates to the quality of the work and the materials that go into developing a mail campaign, whether its purpose is direct response or brand building. "You have to get people to



the value
of mail
is real

people
process it
differently

engage with the mailer in the first place if it is going to have any impact, be that on the brand in the long run or on sales right away," says Page.

This means it's important to pay the same kind of attention to quality as you would with a print or digital campaign, including producing something that is creatively engaging. "If you get it right, you have a real opportunity. If you get it wrong, the opportunity is gone," Page states.

Royal Mail followed up its initial fMRI study with several smaller-scale eye-tracking projects. The most recent piece of research looked at how long it takes people to sort through their mail and what it takes to grab their attention. The research showed "there is some consistency in how consumers interact with the physical item when they first receive it, but that this starts changing as they get into the item and start looking at the offer

and other information being presented," says West. The study also compared how consumers interacted with the same offer on a screen. Based on the findings, Royal Mail was able to recommend the best place for various elements such as brand markers and the main message to maximize visibility of the brand and offer.

"A challenge we continue to face, as the digital kingdom continually reinvents itself and widens its horizons, is how to position and demonstrate the value of mail working alongside that," says West. He says scientific research like the study conducted with Millward Brown and Bangor University is helping Royal Mail meet this challenge by demonstrating to companies that there is a real and tangible difference in how people's brains are affected by different forms of media.

Says West: "Our research shows that there is a difference between how people process messages in one medium versus the other — and that marketers need to plan for this." ■



Applied Research

Royal Mail teamed up with a major financial company to put results of its neuroscience studies to the test.



After research using neuroscience methods showed direct mail can be an important brand-building tool, Royal Mail teamed up with a leading financial services firm in the U.K. to test the hypotheses in a real-world setting.

The first step was to determine what metrics would be used to measure the impact of direct mail. "Part of the challenge in building case studies around this research has been in getting marketers to measure the right things," says Mike West, head of data products at Royal Mail. This is because metrics direct mailers are familiar with — such as response rate

and return on investment — don't provide much help when it comes to measuring the impact of direct mail on the brand.

For the test, it was decided to use both brand consideration and key brand image-related questions to gauge the impact of a credit card mailing that was sent to 1,000 customers. There was also a control group consisting of 164 customers who didn't receive this particular mailing but were similar to recipients in age, gender, the products they had purchased and how long they had been customers of Royal Mail.

The results showed that direct

mail was effective at driving both brand consideration and brand image dimensions, even if people didn't respond. Of the direct mail recipients, 60 percent said the brand was either the first or one of the first they'd consider using. Only 52 percent of the control group answered this way.

Brand consideration was highest among those who explored the mailing, although there was some brand impact even if subjects only skimmed through it. In terms of brand image, 38 percent of recipients said the brand was "there when you need them," compared with 23 percent from the

control group, while 39 percent of recipients said the brand was "clear and straightforward," compared with 27 percent from the control group.

The research also showed that brand consideration remained consistently high, even for customers who received a lot of direct mail.

"When you analyze not only the response rate but also the impact on the brand and see it has a positive impact, marketers can see the value beyond just response," says West. As a result, he adds, this can give marketing managers the ammunition they need to position mail within the mix.

GOLDEN TOUCH

DIMITRI VERTISOTIS, PHOTOGRAPHERS CHOICE GETTY IMAGES



Kudos to **Mlicki** on winning the *Deliver*® Marketing Achievement in Innovation and Leadership (M.A.I.L.) Award. For more on the winning campaign, go to delivermagazine.com/award/.



FLOATING IDEAS

With a boost from the United States Postal Service,[®] a new software program is enabling businesses to mix the reach and engagement of mail with the immediacy of digital.

BY EDDIE B. ALLEN JR.

The Karis Group has built its business speaking for its clients. But the company, a mediation service for uninsured and underinsured medical patients, has also flourished thanks to a mail strategy that allows it to speak effectively to its clients as well.

As part of its communications efforts, the firm sends out thousands of thank-you cards each year to the patients with whom the company works to set up affordable medical payment plans. “We want to put the individual we’re working for in the position to focus on getting well,” says Thad Puckett, a manager at Karis.

To keep the outreach plan running smoothly, the company relies on an increasingly popular new marketing application — Cloud2You™ — that is enabling a growing number of companies to streamline communications.

Created by Advanced Image Direct, Cloud2You emerged after Advanced Image identified a need for companies to better manage their increasingly integrated mail campaigns, says the vice president of sales, Perry Wilson.

“Advanced Image Direct produces millions of pieces of mail per week, sometimes daily, for large corporations across the U.S.,” says Wilson, whose company is based in Fullerton, Calif. “We found that we could get, literally, tons of mail out the door quickly, but getting a small mailing, even one piece, could be difficult and cumbersome for many organizations.”

Currently, about 230 companies use the software — many, like Karis, pressed by a need to speed their communications out to consumers ever faster in today’s wired world. While each company’s needs differ, clients and Cloud2You officials both point to three key areas where the software has the most impact.

SIMPLICITY

Cloud computing is a common technical concept that combines shared program servers and data to let users store and access information on the Internet. The term “cloud” refers to the method by which the technology is virtually disseminated. Accessible from computers, cell phones and other handheld devices, Cloud2You allows customers to remotely mail everything from postcards to invoices.

Puckett says this has saved his company countless hours. Before The Karis Group began using the software, case managers had to hand-write notes to clients. “We were finding that our advocates had to hand-write every single thank-you card,” he recalls. “Cloud2You mail allowed us to send those notes with the click of a button.”

Various products from the U.S. Postal Service® can be accessed through Cloud2You, including greeting cards, envelopes and basic retail supplies. Cloud2You also lets users customize graphics and literature to include company names, logos and contact information before uploading the items for Postal delivery. A “send” command moves the materials through a variable data print process

and enters them into the Postal stream. Meanwhile, Intelligent Mail® barcodes work with the software to confirm delivery to mailboxes.

“What we have done is make real, physical mail as easy as e-mail,” says Perry Wilson.

EFFICIENT ENGAGEMENT

Since Cloud2You hit the market in late 2009, Advanced Image Direct has noticed a pendulum swing: Clients who once relied heavily on only web advertising are discovering (or rediscovering) the power of direct mail.

“E-mail marketers are embracing the physical mail channel because it is effective and differentiates their business,” says Wilson. “The e-mail marketers are becoming our friends because they know that e-mail can be invasive. Sometimes it goes to spam folders. We rifle through e-mails all day long and don’t pay them any attention. But people take a moment with their Postal mail.”

Of course, that doesn’t mean that Wilson doesn’t value electronic media. He points out that Cloud2You mailings can work cooperatively with other channels, especially digital:

Eddie Alvarran, business alliance manager for the United States Postal Service®, echoes this notion, explaining that the agency

embraced Cloud2You after realizing that the software enhances the symbiosis between mail and other media. “What we would encourage is an overall, integrated marketing approach that incorporates direct mail,” says Alvarran, whose group partnered with Cloud2You two years ago. “We understand that an overall approach is going to be the most effective means of having a successful marketing campaign. What we feel is that, by combining both approaches, there are fewer limitations.”

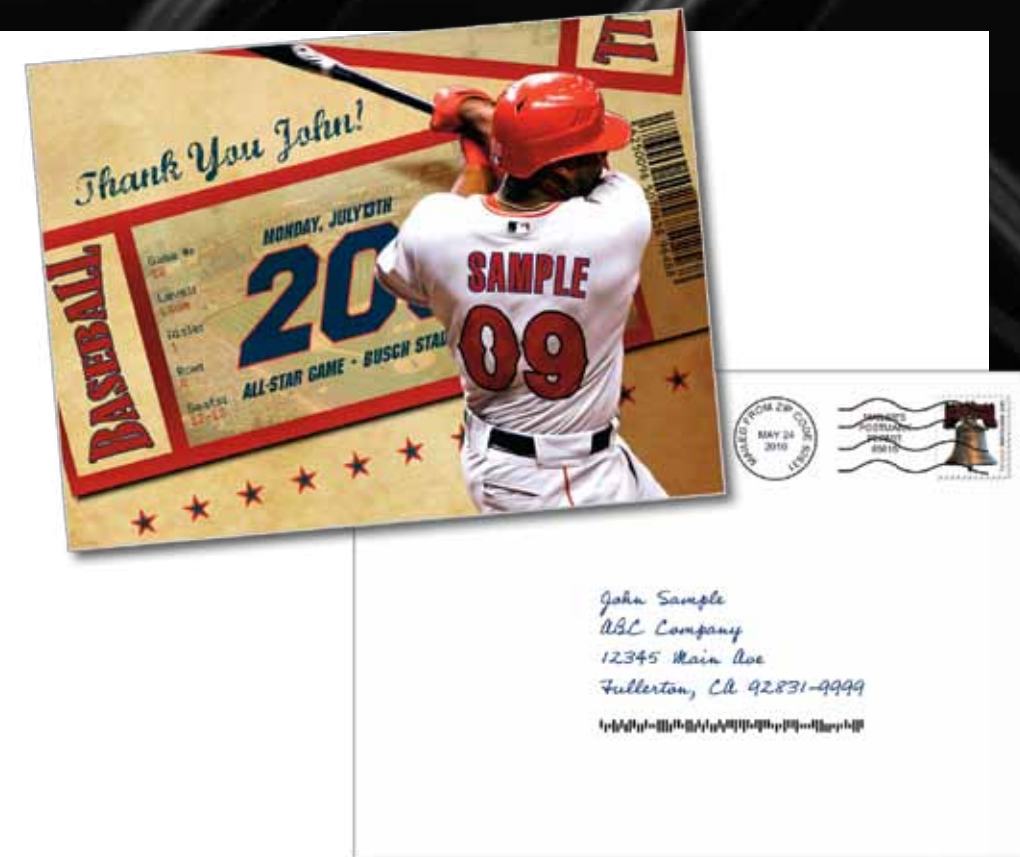
These reduced limitations, says Wilson, are resulting in increased customer traffic. He predicts that by mid-2011 more than 40,000 employees of companies that subscribe to the software are expected to use Cloud2You. (Despite the ease of use, though, Advanced Image Direct still sends hundreds of thousands of mail pieces daily on behalf of major clients, Wilson adds.)

Jay Adams, CEO of MakesBridge, a company that specializes in delivering online marketing automation solutions for customers, says they’ve started turning their user base onto mail. MakesBridge and its customers around the world have relied heavily on e-mail in the past; however, challenges with electronic marketing are among roadblocks that led Adams to re-strategize.

“What we’re really excited about in making Cloud2You available for our customers is it helps address the challenges of electronic media. Mail doesn’t always reach the inbox and our customers are not legally allowed to use e-mail to market to individuals after they opt out. Without mail, the \$20 to \$30 spent and all the effort made to acquire and develop a prospect is lost.”

In response to e-mail’s limitations, MakesBridge developed M-Post,™ a Cloud2You-supported feature in their marketing automation platform. M-Post is a method of ordering the production and delivery of promotional and correspondence material by mail. Customers, such as a Manhattan real estate firm, will use M-Post automation capabilities to mail relevant listings material to clients who visit “high value” pages on their website.

“The firm has 500 very busy agents,” Adams says. “So automatically sending a brochure to people who browsed for high-priced two-bedroom apartments on the east side of Manhattan will not only help them get noticed, the agent will score relationship points for sending a beautiful, relevant brochure. They could earn a \$50,000 commission for spending less than \$10.00 to print and post the brochure. And since it was



“What we have done is make real, physical mail as easy as e-mail.”

— Perry Wilson, Advanced Image Direct

automatic, it didn’t cost them any time to make it happen. “Salespeople don’t do anything except determine when a target should get a piece of mail.”

COST-EFFECTIVE ACCESSIBILITY

Of course, these salespeople also don’t determine whether a marketing message gets noticed. But as Alvarran points out, direct mail has a big advantage over digital offerings when it comes to reach, as mail is undeterred by spam filters and other “avoidance technology.” “We are able to reach every Postal mailbox,” says Alvarran. “With mail, it’s 100-percent access.”

Users anywhere in the world can generate mail through the web instead of paying for it at retail counters. “They can create a single piece — or a campaign — quickly, easily and economically, saving money and delivery time,” Wilson says.

Reliability and significance are traits of mail advertising that also can’t be underestimated, Wilson says. “By making physical mail as easy as sending an e-mail, even from portable devices, because of Cloud2You, most — or all — of the previous obstacles have been overcome,” he adds. “Many large companies realize that welcoming a customer begins at the point of sale. As a result, communicating with customers via the U.S. mail channel is effective for forging meaningful relationships.

“When you send physical mail, you are sending something of real value that lets the recipients know you care about them and their business. Most, if not all, people open their mail when they are most receptive to your messaging.”



Direct marketers are faced with tough choices every day, pressed constantly to choose among media, tactics, objectives and audiences as they deploy limited resources. Determining which tools to use and which targets to aim for often means taking ideas through a process of elimination.

thing of a playoff, with a bevy of possible options vying for your approval before gradually giving way to a handful of eventual winners. And because we tend to take these sorts of ideas way too far, we even dreamed up our own sample bracket to show you just what we mean.

ILLUSTRATION BY I LOVE BUS

